

MONTANA BOARD OF HOUSING

Via Teleconference, Helena MT

April 28, 2011

ROLL CALL OF BOARD

MEMBERS: J.P. Crowley, Chairman (Present)
Betsy Scanlin, Vice Chairman (Present)
Jeff Rupp, Secretary (Present)
Bob Gauthier (Present)
Jeanette McKee (Present)
Sheila Rice (Excused)
Audrey Black Eagle (Excused)

STAFF: Bruce Brensdal, Executive Director
Chuck Nemec, Accounting
Nancy Leifer, Homeownership Program
Gerald Watne, Multifamily Program
Paula Loving, Administrative Assistant
Mary Bair, Multifamily Program
Vicki Bauer, Accounting

COUNSEL: Greg Gould, Luxan and Murfitt
John Wagner, Kutak Rock

UNDERWRITERS: Gordon Hoven, Piper Jaffray
Peter Nolden, RBC Capital
Mina Choo, RBC Capital

OTHERS: Sandy Shupe, Wells Fargo
Greg Dunfield, GMD Development
Heather McMilin, homeWORD
Mary Bonseck, Edward Jones

CALL MEETING TO ORDER

Chairman JP Crowley called to Order at 9:15 AM. Introductions were made.
Bruce Brensdal reviewed the webinar procedures for the meeting.

FINANCE PROGRAM

Attending Board members, staff and underwriters discussed the 2011A/2009B bond pricing that occurred on Tuesday and Wednesday (26th & 27th). Peter Nolden, RBC Capital and lead underwriter, stated the bond pricing was successful and explained bond series structure: long bonds (60% of the issue) will be held by the U.S. Treasury and the remaining 40% were sold on the market to retail investors except for the Planned Amortization Class (PAC) bonds purchased by an institutional investor. Peter continued by reviewing the individual serial and term bond pricing and yields. Mina Choo, RBC, reviewed the Board's yield spread between cost of funds and mortgages and explained the Board was very fortunate because the spread was 1.123 %, remarkably close to the 1.125% IRS limit. The bond issue will close May 26, 2011 in Denver Colorado.

MULTIFAMILY PROGRAM

Gerald Watne updated the Board with the Multifamily Program. Gerald brought to the Board a request from GMD Development for a conduit bond proposal for 11.5 million for the acquisition and, rehabilitation of a five-location project, including 220 units.

Greg Dunfield, GMD Development, provided a history of the project. The projects would include separate projects in five cities: Great Falls, Malta, Butte, Cut Bank and Havre. The preliminary approval resolution would allow them to capture costs. Gerald stated that this does not approve the projects, it only allows for GMD Development to move forward in developing financing for a multifamily project. The final approval of the issuance of the bonds can only be authorized by subsequent Board action.

Bob Gauthier moved to approve Resolution 11-1104-MF1 granting preliminary approval to the issuance of its Multifamily housing revenue bonds in the amount of \$11,500,000 to finance a Multifamily housing project. Jeanette McKee seconded the motion. A roll call vote was taken and the motion was approved unanimously.

Meeting adjourned at 9:32 AM

Jeffrey Rupp, Secretary

Date